



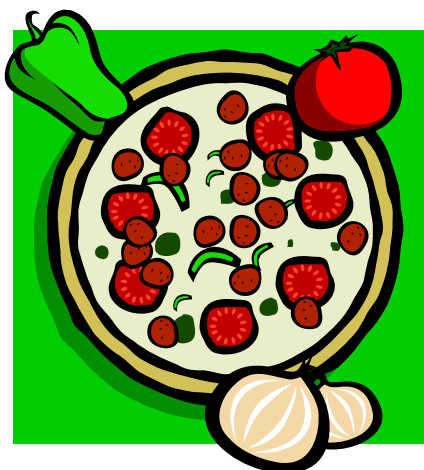
FOOD DISTRIBUTION NEWS

Volume 1, Issue 1

October, November,
December 2008

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From The Director



The recent start of this school year has been a rough one. Many of you may have noticed the changes in the commodity program this year, from decreased entitlement to decreased commodities. Many of you are probably feeling the economic crunch all over, especially the rise in food costs. Well, here are the factors contributing to the decrease in commodities for you this year:

- **Decreased entitlement from last year** - Last year we had the highest entitlement value our state has ever had. This was not only due to increased meals and the increase meal rate, but also due to a significant amount of carry-over from previous years. That being said, this year is quite a bit different. While we did see an increase in the meal rate for commodity entitlement, we have not seen as large of an increase in the number of meals served and we did not have additional carry-over entitlement.
- **Increased Food Prices** –The price in CNP2000 is based on the estimated cost of the commodity, which was published by USDA in November 2007. When USDA goes out to bid for commodity purchases, they do not always match (or come close) to the estimate. This year most commodities are being purchased at a higher price.

So, what does this mean for schools...less commodities. Currently ADE has to reduce the amount of trucks coming into the state in order to remain within our budgeted amount of entitlement for the state as a whole. You may notice adjustments to your entitlement, surveys and allocations over the next couple of months, the end result being a reduction in commodities, including a reduction in commodities diverted to processors. We do not have the details of all the reductions at this time, but we ask that you be patient during the process and know that you will be notified when we are done.

The good news is that, in an effort to counterbalance this reduction in entitlement, we are also trying to bring in as many Bonus items as possible because they do not draw down entitlement. Actually, we will receive the most Bonus items we have seen in Arizona in a long time. So remember, if you are out of entitlement, you will still be getting allocations of Bonus items. Make sure you are checking your allocations and ordering or refusing as desired. As always, thank you for your continued support and please let us know if you have any questions.

What's New...

Whole Grains Pilot

In an effort to increase whole grain foods available to sponsors, Arizona will be participating in a Whole Grains Pilot with USDA in January 2009. We will receive one truck of Whole Grain Tortillas and one truck of Whole Grain Pancakes. A requirement of the pilot is that each recipient completes a survey which will be reported to USDA and the Institute for Obesity Research and Program Evaluation at Texas A&M University to analyze whole grain usage and student acceptability of whole grain products at schools. If you are interested in participating, please e-mail a letter to FDP@azed.gov with the following information:

- Statement showing interest in participating
- Statement agreeing to complete surveys related to the pilot
- Contact Name, Phone Number and E-mail address
- School Name, CTD# and ADP

We will try to allocate to all sponsors expressing an interest but since we are receiving a limited quantity of both products, all may not be able to participate. You will be notified via e-mail if your school is selected to participate.

A & B Commodities

Just a reminder:

A detail summary of the Value of Commodities received for school year 2007-08 for your Annual Financial Report is available online (in CNP2000). You must log in to CNP2000, click on Reports, Print Reports, then "Sponsor Detailed Shipping History". You will then select Program Year 2008 and click Submit. You can then review the report and compare to invoices for discrepancies. If you do find discrepancies, please fax invoices along with any supporting documentation to the FD fax # (602) 542-6978.

The Direct Ship Processed and Commodity values are not calculated into this report. You will need to review your invoices for direct ship items or contact your distributor for this information. If you have any questions, please feel free to call Tina Herzog at (602) 542-8781 (e-mail Tina.Herzog@azed.gov) or Leona Benally at (602) 364-1965 (e-mail Leona.Benally@azed.gov).

Processing Information

Processing is an alternative method using commodities being offered through the Food Distribution Program. It is known to be a cost saving approach to menu your school lunches. As this plan was designed to function, it has come to our attention this technique is not being practiced properly by the amount of carryover inventory ADE has had to approve for SY08-09. According to Federal Regulation 252.3d, no processor should have inventory beyond a six-month supply and the current carryover balances indicate above this measure. Many of the processors involved are now working diligently to have these carryover pounds diverted and/or planned for diversion to reduce these balances by 75% come the end of November 2008. If this amount is not met ADE will take action in removing the pounds to a state account and redistribute to schools who will utilize these pounds in a timely manner. During these economic hard times this alternative means can only mean greater savings to your food budget. Therefore, please take the time to look over your balances with each processor and make plans to process these carryover balances. If you have any questions or concerns, please email the processing specialists with Food Distribution at FDP@azed.gov or call Dawn Irvine (602) 364-0714 or Leona Benally (602) 364-1965.



We want to know what you think! Please send comments, suggestions, or ideas for the Food Distribution News to Danielle.Daugherty@azed.gov.

Have a question? Contact a member of our team.

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Upcoming Food Distribution Events:

OCTOBER

- ☺ October 9, 2008, 9a-12p Commodity Ordering Web-Based Training, Phoenix, 2005 N. Central Ave., Room 105
- ☺ October 16, 2008, 10a-1p Commodity Ordering Web-Based Training, Tucson, 2025 W. Winsett St., Computer Lab
- ☺ October 23, 2008: 10a-1p Flagstaff, Commodity Ordering Web-Based Training, 3285 E. Sparrow Ave., Computer Lab
- ☺ October 23, 2008, 1:30p-3p Flagstaff, Processing For Beginners, 3285 E. Sparrow Ave., Computer Lab

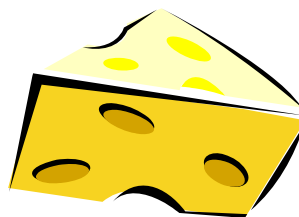
NOVEMBER

- ☺ November 20, 2008, 1p-4p Phoenix, Commodity Ordering Web-Based Training, 2005 N. Central Ave Room 105
- ☺ November 20, 2008, 9:30a-11a Phoenix, Processing For Beginners, 2005 N. Central Ave., Room 105

DECEMBER

No Events Scheduled

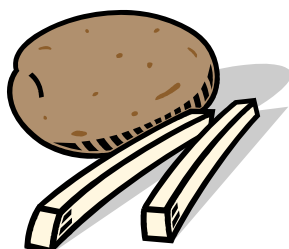
You can register for our events at www.ade.az.gov/online/registration.



Did You Know...

The food distribution website provides helpful information for you. You are able to see the estimated dates of arrivals of commodities, view facts sheets about commodities and much more.

Please visit <http://www.ade.az.gov/health-safety/cnp/fdp/>.



Surplus 101: The Facts about Surplus

- ★ Please remember when requesting a surplus list please leave your CTD # and fax number to ensure you receive the list in a timely manner.
- ★ You may request surplus once a week by calling 602-542-8729. Surplus is based on fair share, meaning we have to be fair to all schools.
- ★ Surplus lists will be sent out 3 times a day (9 am, 11am, and 2pm) and allocated 1-2 times a day (morning and afternoon) depending on how many requests are received.
- ★ Surplus items will not "automatically" show up on your order. When surplus is allocated to you, you **MUST** add the items to your order, **NO EXCEPTIONS!**
- ★ In an effort to reduce the use of a lot of paper, we would like to start receiving surplus requests by email. Please send all requests to fdp@azed.gov.

♻️ Think environment: print only if required.